

**FISCAL MEMORANDUM**  
**HB 2253 – SB 2196**

April 4, 2007

**SUMMARY OF AMENDMENT (005699):** Restricts the Tennessee Department of Transportation (TDOT) to fifteen (15) design-build contracts per year if the contract has a total estimated contract amount of less than \$1,000,000; five (5) design-build contracts per year if the contract has a total estimated contract amount in excess of \$1,000,000. Requires TDOT to specifically identify any design-build contract in excess of \$70.0 million in the transportation improvement program presented annually to the General Assembly. Requires a report on the effectiveness of design-build after the completion of three (3) contracts.

**FISCAL IMPACT OF ORIGINAL BILL:**

Other Fiscal Impact – The fiscal impact of this bill is dependent upon any cost savings that may accrue to the state as a result of awarding design-build contracts in lieu of design-bid-build contracts. Based on the FHWA study, the state could save up to \$2,000,000 in Highway Fund monies for every \$100,000,000 project undertaken with a design-bid contract.

**FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:**

**Unchanged from the original fiscal note**

Assumption applied to amendment:

- According to TDOT, this bill as amended will not change the estimated fiscal impact to the state.

**CERTIFICATION:**

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director

/rnc